

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

1201 NORTH MARKET STREET  
P.O. Box 1347  
WILMINGTON, DELAWARE 19899-1347

302 658 9200  
302 658 3989 FAX

April 1, 2011

JEREMY A. TIGAN  
302 351 9106  
302 425 3096 FAX  
jtigan@mnat.com

The Honorable Leonard P. Stark  
United States District Court  
for the District of Delaware  
844 N. King Street  
Wilmington, DE 19801

VIA ELECTRONIC FILING

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Re: Personalized User Model, L.L.P. v. Google, Inc., C.A. No. 09-525 (LPS)

Dear Judge Stark:

This letter responds to Google's March 31, 2011 letter (D.I. 229) seeking: (i) the disclosure of privileged communications among counsel and board members, (ii) the production of tax returns, and (iii) supplementation of two interrogatory responses. Google's entire argument regarding the withheld privileged communications is based on Google's mistaken belief that the withheld documents relate to Phil Black as an investor in Levino but they cannot be since Mr. Black never was an investor in Levino. The withheld communications relate to Mr. Black acting solely as a member of the Board of Utopy (where his interests were identical to Utopy's) and counsel for the Board. As such, these privileged communications are readily distinguishable from other documents (which have been produced) where Mr. Black's personal and legal interests were not the same as Utopy's. The documents that Google demands showing "consideration" for the patents, including tax returns, are irrelevant due to the bifurcation of damages in this case. Moreover, P.U.M. has provided Google with the information it seeks in P.U.M.'s response to Request for Admission No. 33 regarding *any* compensation paid in relation to the transfer of the patents from Levino to P.U.M. *See* Ex. 1. Lastly, because the burden on Google is substantially the same as it is on P.U.M. to review the patents-in-suit and prior art to answer Interrogatory Nos. 30 and 31, Google's argument to shift that burden to P.U.M. should be rejected.

**Communications and Drafts Among Board Members and Counsel are Privileged.** Google oversimplifies the privilege analysis and misstates key facts. For example, Google is wrong about the subject matter of the withheld communications.<sup>1</sup> Utopy is the original assignee named

<sup>1</sup> Google also mischaracterizes what Marc Friedman said off the record. Mr. Friedman did not state "that he would ... fix the problem," but rather stated he would look into the issue. This is exactly what P.U.M. did. After a further review of all of the log entries at issue, P.U.M. produced inadvertently logged documents and maintained its privilege objection with respect to those entries that are privileged.

on the patents-in-suit.

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In December 2005 the patent application issued as U.S. Patent No. 6,981,040. Shortly after the patent issued, in early 2006, Utopy sold its rights in the patents-in-suit to Levino. Contrary to Google's assertion, Mr. Black was never an investor in Levino.<sup>3</sup>

Notably, the executed final versions of *all* of the corporate documents, which Google now seeks in draft, have already been produced. P.U.M. withheld only a discrete set of documents that relate to communications between Utopy (its Board) and counsel seeking legal advice regarding Utopy's sale of the patents-in-suit to Levino.<sup>4</sup> All of the board members (including Mr. Black) were acting in concert at the direction of counsel and with a shared common legal interest, namely, to comply with their legal fiduciary duties and to effect a proper legal transfer of the patent. That privilege is not waived by the inclusion of attorney Mr. Clulow who also acted in confidence and in furtherance of that common legal interest. D.R.E. 502(a)(2) ("communication is 'confidential' if not intended to be disclosed to third persons other than those to whom disclosure is made in furtherance of the rendition of professional legal services to the client or those reasonably necessary for the transmission of the communication"); *In re Leslie Controls, Inc.* 437 B.R. 493, 497 (Bankr. D. Del. 2010) (privilege "applies where the interests of the parties are not identical, and it applies even where the parties' interests are adverse in substantial respects."). Under Delaware law, both the attorney-client privilege and the common interest doctrine protect these types of communications and drafts.

**Documents Relating To Consideration Are Not Relevant To Any Defense.** Google wrongly argues that documents (including the tax returns of P.U.M.'s individual partners) reflecting consideration paid for the patents-in-suit are relevant to (1) whether the patent assignment was a valid contract, and (2) commercial success. First, to demonstrate the right to sue for patent infringement, a patent holder need do no more than produce a written assignment that is filed with the PTO. Here, P.U.M. filed the written patent assignment with the PTO. This alone is conclusive proof of ownership and standing to sue. *Speedplay, Inc. v. Bebop, Inc.*, 211 F.3d 1245, 1250 (Fed. Cir. 2000) (patentee "must produce a written instrument documenting the

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P.U.M. also produced other communications among Utopy, Phil Black and Stefan Clulow, where Mr. Black's legal interest as a potential investor was not shared by Utopy.

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Google argues "PUM now claims documents and correspondence exchanged among individuals acting on behalf of Utopy and Levino with Black and Clulow related to this transaction are privileged,"

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However, this argument is surely based on Google's misconception that Mr. Black was an investor in Levino.

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P.U.M. volunteers these documents to the Court for in camera inspection.

transfer”). How much was paid for the patent, by whom and under what circumstances is immaterial because an “effective voluntary assignment of patent need not be supported by consideration.” *See, e.g., Keller v. Bass Pro Shops, Inc.*, 15 F.3d 122, 125 (8th Cir. 1994). Second, Google also contends that “consideration” is relevant to secondary considerations of non-obviousness. It is not surprising that Google has cited no support for this proposition. Commercial success is demonstrated through sales of the patented products, not a sale of the patent itself. *See In re Huang*, 100 F.3d 135, 140 (Fed. Cir. 1996) (commercial success inquiries should ordinarily be directed to product sales flowing from “the unique characteristics of the claimed invention as opposed to other economic and commercial factors”). REDACTED

Finally, the tax returns of P.U.M.’s individual members are also not discoverable because Google has not and cannot show “good cause” -- as it must -- to justify disclosure of personal tax returns. The income of the members of the entity that owns the patents-in-suit is not relevant to any issue in this case. The request is also premature as its only relevance, if any, would be in relation to damages which have been bifurcated. Lastly, the information sought has already been provided or is readily available from other sources, such as deposition testimony or other less invasive written discovery. *Blanchet v Colonial Trust Co.*, 23 F.R.D. 118, 121 (D. Del. 1958) (“there appears no good cause for the production of income tax returns and these returns will only be required when circumstances demand them”). Thus, Google’s request for tax returns and other “consideration” documents should be denied.

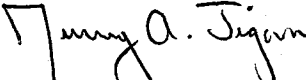
**P.U.M. Should Not be Ordered to Respond to Interrogatory Nos. 30 and 31.** Interrogatory No. 30 asks P.U.M. to (1) identify every mathematical formula needed to enable or practice the asserted claims of the patents-in-suit, and (2) to compare those formulas to the “prior art.” Because both the patents-in-suit and Google’s cited prior art are equally available to both parties, and the burden of deriving the answer is substantially the same for each party, (*i.e.*, determining which mathematical formulas disclosed in the patents are needed to enable the invention and comparing them to the 15 prior art references charted by Google in its invalidity contentions to determine whether the mathematical formulas are present or not), P.U.M. should not be ordered to supplement its response to this interrogatory. *See Fed. R. Civ. P. 33(d); see also Playboy Entertainment Group v. U.S.*, 1997 U.S. Dist. Lexis 22297, \*14 (D. Del. Dec. 10, 1997) (“Where the burden of ascertaining an answer would be the same for either party, Rule 33(d) places the research burden on the party seeking the information”). Similarly, with respect to Interrogatory No. 31, Google asks P.U.M. to identify all of the “machine learning techniques” in the “prior art,” and to determine whether the patents could not be practiced with such techniques. Again, the burden is the same on both parties to analyze the patents-in-suit and the prior art and make this analysis. *Id.* Further, as P.U.M. states in its objections, the phrase “machine learning techniques that existed in the PRIOR ART” is undefined and Google’s definition of PRIOR ART is also objectionable. Google’s demand to shift the burden to P.U.M. should be denied.

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<sup>5</sup> Google again mischaracterizes the facts. P.U.M. never stated the patents-in-suit were a “gift,” but rather a transfer between the same sets of owners.

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Respectfully,

  
Jeremy A. Tigan (#5239)

JAT/dla

Enclosures

cc: Clerk of the Court (by hand, w/encls.)  
All Counsel of Record (via e-filing and/or e-mail)